

**STATE BOARD OF FINANCE**

**February 12, 2013**

**Summary Minutes**

**Location:**

Via Video conference at the following locations:

Guinn Room  
101 N. Carson Street  
Carson City, NV 89701

Governor's Office Conference Room  
555 E Washington Avenue, Suite 5100  
Las Vegas, NV 89101

Governor Sandoval called the meeting to order.

*Board members present:*

Governor Brian Sandoval- Carson City  
Treasurer Kate Marshall- Carson City  
Controller Kim Wallin- Excused  
Steve Martin- Las Vegas  
Dave Funk- Carson City

Governor Sandoval called the meeting to order at 9:00 A.M.

**Agenda Item 1 – Public Comment:**

There was no public comment.

**Agenda Item 2 – Approval of the Board of Finance meetings minutes held on January 8, 2013.**

Treasurer Marshall made a motion to approve the meeting minutes held on January 8, 2013.  
Dave Funk seconded the motion. Motion passed 4-0.

**Agenda Item 3 – For possible action - Discussion and possible action regarding the mediator's proposal regarding the case of Woodlands Commercial Bank v. State of Nevada Board of Finance Case No. 61634.**

The Board moved to go to closed session for Agenda Item 3.

**Agenda Item 4 – For possible action - Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Churchill**

**County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2013 in the maximum aggregate principal amount of \$10,000,000.**

Lori Chatwood stated Churchill County is asking for a new money financing bond. Churchill County will have approximately \$300,000 in savings. Churchill County currently has used just under \$25,000,000 from the Permanent School Fund Guarantee program. Churchill County is asking for authorization for \$10,000,000.

Dave Funk made a motion to approved Agenda Item 4. Treasurer Marshall seconded the motion. Motion passed 4-0.

**Agenda Item 5 – For possible action – Discussion and possible action on a resolution relating to the issuance of the State of Nevada General Obligation (Limited Tax) Bonds (Nevada Municipal Bond Bank) on behalf of Truckee-Carson Irrigation District; authorizing the State Treasurer to seek judicial confirmation of the bonds pursuant to NRS 350A.160; and providing other related matters.**

Lori Chatwood stated that the facilities proposed to be financed by Truckee-Carson Irrigation District are owned by the Federal Government. Truckee-Carson Irrigation District currently has authority for \$5,000,000 that was voter approved to bond for improvements and Truckee-Carson Irrigation District has a current loan for \$3,000,000. Truckee-Carson Irrigation District would like to refinance the loan for approximately \$200,000 in savings but utilizing the Municipal Bond Bank.

Treasurer Marshall stated \$200,000 is not a lot of savings on a \$3,000,000 bond. Treasurer Marshall asked if it was net of cost. Marty Johnson stated the \$200,000 in savings is net of all of the costs. Marty Johnson stated the District currently has a shorter term loan and the District would like to spread out the payments over a 10-year period.

Treasurer Marshall stated her concerns her that the District is a federally owned irrigation district. Kendra Follett of Sherman & Howard stated the assessments are against each parcel and each parcel owner is responsible for repaying the assessment. Treasurer Marshall asked where the State's payments go if the Federal Government gets involved. Kendra Follett stated the assessment has to pass the election of their property owners in their district, then there has to be judicial confirmation of the assessment methodology and the amount of the assessment. Then the assessment is levied. The assessment won't become invalid.

Governor Sandoval asked about the ramifications and process involved with a default. Kendra Follett stated then the district has the ability to foreclose on the property.

Treasurer Marshall asked if there was a one year reserve. Marty Johnson confirmed that.

Lori Chatwood asked if Marty Johnson could speak to the pledge of the revenue of the hydroelectric facility. Marty Johnson stated in addition to the assessment the district will give a pledge from the hydroelectric facilities that they own.

Governor Sandoval stated Truckee-Carson Irrigation District was in an extensive litigation involving the residents of Fernley. Governor Sandoval asked if that matter has been resolved. Marty Johnson stated the settlement has not been finalized yet but the method that is used to repay that settlement is not the assessment that will be used to repay these bonds. Kendra Follett stated the assessment payments are levied specifically for repayment of this bond and cannot be used for anything else.

Board members, Kendra Follett, and Marty Johnson had a lengthy discussion about the payment of the assessment and if the district or its property owners could afford to make the payments with other possible settlements or judgments. Treasurer Marshall stated she asked for an outside legal opinion.

Dave Funk asked what would happen if the assessment wasn't passed by the Truckee-Carson Irrigation District body. Kendra Follett explained the assessment process. There was concern expressed by the Board that they would like to hear a presentation by management and counsel of the District clarifying these financial and legal issues. Ms. Chatwood explained that this issuance involved a two-step process: the first step approving the resolution to seek judicial confirmation and then if confirmation is received, the second step would be approval by the Board of Finance to issue bonds.

Treasurer Marshall made a motion to approve the resolution as described in Agenda Item 5 with the understanding that representatives from the District should be present to answer questions from the Board prior to the Board's approval of the actual issuance of bonds. Dave Funk seconded the motion. Motion passed 4-0.

**Agenda Item 6 – Receive report on State's recent sale of General Obligation (Limited Tax) Bonds, Series 2013A-C.**

Lori Chatwood stated the State's recent sale was very successful. Investor education and outreach produced 17 bidders on Series 2013B and 12 and 14 on the other series. The State was able to issue less par than the State originally came to the Board for and there are savings of almost \$9,000,000. For the SRF bonds, bonds were refunded for savings and the State was able to receive \$3,000,000 in federal match without the initial issuance of par. The Municipal Bond Bank refunding produced over \$5,000,000 for the three participants. The two smaller participants, Moapa and Wells, both had over \$100,000 in savings.

**Agenda Item 7 – For possible action – 2013 General Obligation Bond Refunding**

**A. For possible action – Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2013D-1 and Series D-2; providing the purpose for which such bonds are issued, the form, terms and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

**B. For possible action – Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2013E (Taxable); providing the purpose for which such bonds are issued, the form, terms and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

**C. For possible action – Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2013F-1 and Series F-2; providing the purpose for which such bonds are issued, the form, terms and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

**D. For possible action – Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Open Space, Parks and Cultural Resources Refunding Bonds, Series 2013G; providing the purpose for which such bonds are issued, the form, terms and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

**E. For possible action – Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Open Space, Parks and Cultural Resources Refunding Bonds, Series 2013H-1 and Series H-2; providing the purpose for which such bonds are issued, the form, terms and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

Lori Chatwood presented this item, and explained that the Board has seen similar refundings and restructurings before. Governor Sandoval asked for questions on the 2013 General Obligation Bond Refunding A-E.

Dave Funk made a motion to approve Agenda Item 7. Steve Martin seconded the motion. Motion passed 4-0.

**Agenda Item 8 – For possible action - Discussion and possible action regarding the approval of a Collateral Custodial Agreement between the Office of the State Treasurer and Zions First National Bank as prescribed within the agreement.**

Mark Mathers stated if approved Zions First National Bank would hold the collateral securities on behalf of the State for deposits held by Nevada Bank and Trust Company with the State and other local governments.

Dave Funk made a motion to approve Agenda Item 8. Steve Martin seconded the motion. Motion passed 4-0

**Agenda Item 9 – Public Comment:**

There were no additional Board comments or public comment.

Treasurer Marshall made a motion to adjourn the meeting. Dave Funk seconded the motion. The motion passed 4-0.

There being no further business, the meeting was adjourned at 10:17 AM.